

104TH CONGRESS  
2D SESSION

# S. 1786

To require the Secretary of Veterans Affairs and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Veterans Affairs with reimbursement from the Medicare program for health care services provided to certain Medicare-eligible veterans.

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## IN THE SENATE OF THE UNITED STATES

MAY 21, 1996

Mr. WELLSTONE introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To require the Secretary of Veterans Affairs and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Veterans Affairs with reimbursement from the Medicare program for health care services provided to certain Medicare-eligible veterans.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. DEMONSTRATION PROJECT FOR MEDICARE**  
2 **REIMBURSEMENT OF DEPARTMENT OF VET-**  
3 **ERANS AFFAIRS FOR HEALTH CARE PRO-**  
4 **VIDED TO CERTAIN MEDICARE-ELIGIBLE**  
5 **VETERANS.**

6 (a) IN GENERAL.—Notwithstanding any other provi-  
7 sion of law and subject to subsection (b), the Secretary  
8 of Veterans Affairs and the Secretary of Health and  
9 Human Services shall enter into an agreement in order  
10 to carry out a demonstration project under which the Sec-  
11 retary of Health and Human Services reimburses the Sec-  
12 retary of Veterans Affairs, on a capitated basis, from the  
13 Medicare program under title XVIII of the Social Security  
14 Act (42 U.S.C. 1395 et seq.) for health care services pro-  
15 vided by the Secretary of Veterans Affairs to covered vet-  
16 erans.

17 (b) PROJECT REQUIREMENTS.—(1)(A) The Sec-  
18 retary of Veterans Affairs shall carry out the demonstra-  
19 tion project in not less than two or more than four Veter-  
20 ans Integrated Service Networks.

21 (B) For purposes of the demonstration project, the  
22 health care facilities of the Department of Veterans Af-  
23 fairs in each Veterans Integrated Service Network in  
24 which the Secretary carries out the demonstration project  
25 shall be deemed to meet such standards as are applicable

1 to providers of services under the Medicare program under  
2 title XVIII of the Social Security Act.

3 (2)(A) The Secretary of Veterans Affairs shall budget  
4 for and expend on health care services in each Veterans  
5 Integrated Service Network in which the demonstration  
6 project is carried out an amount equal to the amount that  
7 the Secretary would otherwise budget for and expend on  
8 such services in the absence of the project.

9 (B) The Secretary may not be reimbursed under the  
10 project for health care services provided to covered veter-  
11 ans in a Veterans Integrated Service Network until the  
12 amount expended by the Secretary to provide health care  
13 services in that network exceeds the amount budgeted for  
14 health care services with respect to that network under  
15 subparagraph (A).

16 (3) The agreement between the Secretary of Veterans  
17 Affairs and the Secretary of Health and Human Services  
18 shall provide that the cost to the Medicare program of pro-  
19 viding services under the project does not exceed the cost  
20 that the Medicare program would otherwise incur in pro-  
21 viding such services.

22 (4) The authority of the Secretary of Veterans Af-  
23 fairs to carry out the project shall expire 3 years after  
24 the date of the commencement of the project.

1       (c) REPORTS.—Not later than 14 months after the  
2 commencement of the demonstration project under sub-  
3 section (a), and annually thereafter until the year follow-  
4 ing the year in which the project is terminated, the Sec-  
5 retary of Veterans Affairs and the Secretary of Health and  
6 Human Services shall jointly submit to Congress a report  
7 on the demonstration project. The report shall include the  
8 following:

9           (1) The number of covered veterans provided  
10 health care services under the project during the  
11 previous year.

12          (2) An assessment of the benefits to such veter-  
13 ans of receiving health care services under the  
14 project.

15          (3) A description of the cost shifting, if any,  
16 among medical care programs of the Department of  
17 Veterans Affairs that results from the project.

18          (4) A description of the cost shifting, if any,  
19 from the Department to the Medicare program that  
20 results from the project.

21          (5) An analysis of the effect of the project on  
22 the following:

23           (A) Access to the health care facilities of  
24 the Department.

1           (B) The availability of space and facilities  
2           and the capabilities of medical staff to provide  
3           fee-for-service medical care.

4           (C) Established priorities for treatment of  
5           veterans under chapter 17 of title 38, United  
6           States Code.

7           (D) The cost to the Department of provid-  
8           ing prescription drugs to veterans.

9           (E) The quality of health care provided by  
10          the Department.

11          (F) Health care providers and covered vet-  
12          erans in the communities in which the project  
13          is carried out.

14          (6) An assessment of the effects of continuing  
15          the project on—

16                (A) the overall budget of the Department  
17                for health care; and

18                (B) the budget of each Veterans Integrated  
19                Service Network covered by the project.

20          (7) An assessment of the effects of continuing  
21          the project on expenditures from the Medicare trust  
22          funds under title XVIII of the Social Security Act.

23          (8) An analysis of the lessons learned by the  
24          Department as a result of the project.

1           (9) Any other information that the Secretary of  
2       Veterans Affairs and the Secretary of Health and  
3       Human Services jointly consider appropriate.

4       (d) REVIEW BY COMPTROLLER GENERAL.—Not later  
5       than December 31 of each year in which the demonstra-  
6       tion project is carried out under this section, the Comp-  
7       troller General shall determine and submit to Congress a  
8       report on the extent, if any, to which the costs of the Sec-  
9       retary of Veterans Affairs under title 38, United States  
10      Code, and the costs of the Secretary of Health and Human  
11      Services under the Medicare program have increased as  
12      a result of the project.

13      (e) DEFINITION.—In this section, the term “covered  
14      veterans” means any veteran entitled to benefits under  
15      part A of title XVIII of the Social Security Act who is  
16      eligible for health care under chapter 17 of title 38, United  
17      States Code, for a reason other than a service-connected  
18      disability.

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